



SPECIAL ASSISTANT TO THE SECRETARY OF STATE
WASHINGTON

27 May 1957

Dear Mr. Dulles:

Enclosed are copies of the Summary Conclusions and Recommendations of the Western European Chiefs of Mission Conference in Paris, May 6-8, and a despatch from Vienna reporting on the Eastern European Chiefs of Mission Conference in Vienna, May 10-11, 1957 which may be of interest to you.

Sincerely yours,

Hugh S. Cumming, Jr.
Special Assistant, Intelligence

Enclosures:

Cy no. 10 report on Paris
Conference, May 6-8

Cy no. 32C despatch no. 1111
from Vienna dated 5-13-57
on Vienna conference,
May 10-11-57

The Honorable
Allen W. Dulles,
Director of Central Intelligence,
Washington.

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Mr. Hugh S. Canning, Jr.
Special Assistant to the Secretary of State
Department of State
Washington 25, D.C.

Dear Hugh:

Thank you for your letter of 27 May and
the material you enclosed.

These conference reports are most
interesting to us and I greatly appreciate your
courtesy in sending us copies of them.

Sincerely,

SIGNED

Allen W. Dulles
Director

O/DCI/[]/rc/29 May 57

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WESTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

PARIS

MAY 6 - 8, 1957

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

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WESTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

PARIS, May 6 - 8, 1957

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

- I. NATO: Military and Political Aspects:
- A. National Attitudes Toward NATO Strategy and Defense Requirements; and
 - B. Non-military Aspects of NATO, Including Particularly Development of Political Consultation.

1. NATO is and remains under present circumstances the indispensable basis of U. S. policy in Western Europe. In spite of the difficulties that NATO has experienced, faith in NATO remains high on the part of the Western European member countries, who feel that collective defense is the only possible defense.

2. It is felt that from the political point of view, NATO strategy is well adapted to the requirements of the situation. It places primary emphasis upon deterring aggression. It is vital that one of the fundamental political bases of the Alliance - that in event of aggression the territory of all the members will be defended - be maintained. An adequate shield of ground, air and sea forces, including an American contribution, with a flexible capability, is necessary. Anything less than an adequate shield would have grave effects on NATO unity.

3. The member countries of NATO have a need for the clearest and most convincing exposition possible of the NATO

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strategic

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strategic concept and the nature of the forces required to implement this concept, in order to strengthen domestic support for NATO and the military expenditures entailed in meeting NATO goals. Considerable confusion has arisen from recent discussion of nuclear defense versus conventional defense needs. The studies on these subjects that SACEUR has put in hand at the request of the North Atlantic Council should be extremely helpful.

4. A German contribution to NATO remains vital. In this connection, it was noted that the neutralization of Germany in connection with reunification, or otherwise, might be fatal to the Alliance, not only because NATO could not produce sufficient shield forces without a German contribution but also because German territory is itself essential to the conduct of NATO strategy. Having in mind the bearing which the forthcoming election will have on the future attitude of Germany towards NATO, it is important that Western European countries exercise extreme care in their pronouncements affecting Germany.

5. The steady increase in political consultation in the North Atlantic Council was welcomed as a major contribution to cohesion in the Alliance and, in particular, as an important means of gaining understanding of and support for U. S. policies.

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Increased consultation can be used as a means of giving support to friendly governments. It was recognized that further efforts are required to develop procedures whereby member countries can increase the scope, depth and timeliness of political consultation in NATO.

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WESTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

IIA. National Attitudes Toward United States Foreign Policy
With Regard to East-West Relations.

1. Reactions of the Western European countries represented at the Conference to United States policies with regard to East-West relations fall, in general, under three broad headings: (1) reaction to overall United States attitudes, (2) reaction to cultural and other exchanges, and (3) reaction to East-West trade problems.

2. It was the consensus of the meeting that there is fundamental support and sympathy for overall United States attitudes in regard to the Soviet threat to the extent that it is generally believed that they will be effective in opposing the expansion of Soviet communism. This feeling has been generally sharpened and focused by the recent events in Hungary which once more put into perspective the true nature of Soviet Communism.

3. Events in Hungary also dampened previous enthusiasms for cultural and other exchanges, although there remains cautious interest in the subject of cultural exchanges, particularly with the satellites, in certain of the countries of Western Europe. It was the sense of the Conference that the countries of Western Europe should be encouraged to be selective in their cultural exchanges with the satellites. Less showy exchanges are more advantageous to the West, and particularly student exchanges provided that the students are carefully selected.

4. There is, however, an almost universal lack of sympathy in Western Europe for United States policies regarding East-West trade controls with a correspondingly widespread interest in the possibilities of trade with the Eastern European bloc and with Communist China. With

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the possible exception of Spain, there is an overwhelming desire to suppress the China trade control differential and a feeling that United States policies in this regard tend to continue to be too rigid. Interest in increased trade with China does not yet, however, go so far at the present time as to dispose the countries of Western Europe to pay the political price for this supposed benefit currently being demanded by the Chinese Communists.

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WESTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

IIB. National Attitudes Toward United States Foreign Policy
With Regard to the Immediate Interests of the Country Concerned.

1. It was evident from the discussions among the Chiefs of Mission present at the Conference that the fundamental bases of the Western Alliance and of the Western community of interest remain firm and sound. Where it is evident that United States policies serve to further the welfare and interests of the Western community as a whole, there is, generally speaking, support and sympathy for those policies. This is particularly true in the case of the smaller countries, such as the Netherlands, who, however, do not hesitate to criticize sharply the manner in which those policies are carried out should they feel inclined to do so. United States policies are inevitably viewed from the perspective of the particular national interests of each country and the reactions of these countries are conditioned to a large extent by their own vital concerns. Austria, for example, while basically in sympathy with United States objectives, is affected by its exposed and vulnerable position and its status of neutrality and thus from time to time is inhibited from espousing openly United States courses of action which might be embarrassing to it. The reactions of Germany, as another example, are conditioned among other things by the great desire for German reunification.

2. Although the bases of the Western community of interest remain sound, there are points of friction where United States policies have
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been in conflict with what are regarded to be the vital national interests of individual countries. The policy of the United States in regard to the Suez crisis has left deep and sensitive scars in France and in the United Kingdom. There is widespread dissatisfaction in Western Europe with what is regarded as United States relative inaction in the Hungarian crisis, although no very specific alternatives were suggested by the critics. A certain resentment was reported as existing in a number of countries that the United States treats its friends worse than it treats its enemies. There is some criticism of United States policies in varying degrees in every country of Western Europe depending upon the impact of those policies on specific national interests. Some representatives reported that there was criticism of American foreign economic policy, particularly in connection with ^{resort to} the escape clause. There is considerable reservation on the part of a number of Western European countries concerning United States policies insofar as they appear to be based upon a reliance on the United Nations which many believe to be weighted against their interests. Most of these points of friction are not, however, considered to be acute and appear to be susceptible to amelioration with time, understanding, and patience. It was the consensus of the Conference that many points of friction can be avoided or diminished by a concerted and continued effort on the part of the United States to carry out a policy of prior consultation with its allies, wherever possible or of keeping them informed of the grounds for American actions which affect their individual national interests.

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SUMMARY CONCLUSIONS AND RECOMMENDATIONS

III. National Attitudes Toward Soviet Foreign Policy and Relations With the USSR, Including Estimates of Role of Local Communist Party.

1. It was the consensus of the meeting that all countries of Western Europe are now displaying a firm attitude towards Soviet foreign policy. In the case of such countries as Spain and the Netherlands, this firmness has been constant, the Spanish regarding their civil war as a war against the Reds, and the Dutch having been concerned over what they considered to be past British and French softness and fear of possible American softness towards the Soviet Union. Everywhere, firmness has been increased by the impact of the Hungarian revolution. Soviet penetration of the Middle East induced a further stiffening of the British and French attitudes. In Italy, if a Gronchi-dominated government is formed, there may be some relaxation in its strong pro-Western orientation. Neutral Switzerland interprets its neutrality in a manner permitting flourishing relations with West Germany, but no relations with East Germany. Swiss neutrality, which bears no resemblance to neutralism, is combined with a sense of identity with the West.

2. On the question of cultural exchanges with the East, it was pointed out that while the Austrian government was split on the issue of exchanges with the Soviet Union, it favored exchanges with the satellites, particularly with Poland and Yugoslavia. Embassy Vienna is inclined to favor these exchanges

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with the satellites since the Austrians know the countries and would be unlikely to be impressed by what they saw, as they might be in the Soviet Union. Moreover, it is believed there is a role Austria could play. The French, who cut off cultural exchanges after the Hungarian Revolution, are resuming them, but on a restricted and controlled basis. They also are interested primarily in encouraging such relations with the satellites, where they feel the historical role of French culture gives them a special advantage. The Dutch, on the other hand, have had very few cultural exchanges, and the Swiss have cut down sharply, largely because individual organizations that are invited to the Soviet Union have simply refused the invitations. It was pointed out that the Secretary had indicated that the Department's policy is to resume a modest program of exchanges with the Soviet ^{Union} ~~Union~~, but to concentrate largely on the ^{Satellites} ~~Soviet Union~~. It is understood, however, that other countries, such as Austria may be in a different situation. Embassy Moscow warned that the type of exchange favored by the Soviets, spectacular mass exchanges, are of greater advantage to the Soviet Union than to us, since they tend to make people think there is an identity of views between the U. S. and the USSR. On the other hand, smaller, less spectacular exchanges are of benefit to both countries.

3. The Communist parties of Austria, Belgium, Germany, Luxembourg, the Netherlands, Portugal and Switzerland were

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described as small and with virtually no influence. The British Communist Party, while small in itself, has probably infiltrated through trade unions into industry to a greater extent than is generally admitted but the British tend to believe they can control the situation in their own way, without sacrificing civil liberties. While there is limited clandestine Communist activity in Spain, it is probably of little significance, and in general anarchism fits the Spanish temperament better. Italy has the largest Communist Party outside the Iron Curtain. There seems to have been a recent reduction in party strength, however, and there has been a definite weakening of Communist control over the labor movement. The Party remains Stalinist, but less so than the French Party. The French Communist Party is one of the largest and most powerful CPs. It has been in gradual decline since the war, but remains important. Hungary represented a serious blow to it, but affected the Party's fringes more than its central core. It has lost many of the leftist intellectuals who gave it its aura of respectability, but its apparatus has not been affected. It remains thoroughly Stalinist and most loyal to the Soviet Union. Its working class support has been shaken by the Hungarian Revolution, but we can probably expect the Party to recoup by concentrating on day-to-day economic issues which affect the French worker much more directly than do events in Hungary.

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SUMMARY CONCLUSIONS AND RECOMMENDATIONS

IV. Prospects for European Unity and Cooperation

1. The concept of European integration is the most constructive idea to be developed in European political philosophy in the 20th Century and perhaps during an even longer period of time. It is in the U. S. interest not only that the two current projects, the Common Market and Euratom, be carried through, but - of far greater importance - that the momentum be maintained until a political and economic community has been developed in Europe which will enable that area to play the important role in world affairs for which it is so well equipped by its talents and resources. The attainment of this goal depends in large measure upon the British outlook. Without the United Kingdom as an active associate, there might be a reappearance of the political rivalries among the major Continental participants - particularly between France and Germany - that have proved so disruptive in past European history.

2. The political consensus within the Community of Six is that the Common Market and Euratom treaties will be ratified by all the signatories. The ratification process will get under way in all countries before the various national Parliaments recess for their summer vacations, and a number of observers predict that in some countries full approval will be obtained by July. However, it appears likely that the ratification process will not be completed in all countries until some time in the autumn.

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3. In discussing the ratification time table with responsible government officials in the six countries, U. S. representatives should informally urge as appropriate the desirability of early action. Formal negotiations on the terms of the contemplated U. S. association with Euratom cannot begin until the Euratom Treaty has been put into effect.

4. The continued progress of the Six towards integration will constitute an important pole of attraction for other European countries. Denmark has already felt these influences, because of its dependence on CSC steel and its competition with the Netherlands in the field of agriculture. Austria and Switzerland are faced with a special problem in this respect because of their neutral status. The Swiss are confident of their ability to work out arrangements with the European Community on a practical basis, similar in character to their arrangements with the ECSC.

5. At the present time the policy of the United Kingdom towards European unity and cooperation is in a state of flux. One part of the U. K. Government, including MacMillan and Thorneycroft, appear genuinely interested in European integration and hope to work out British association with this movement through the Free Trade Area. Other parts, including the Foreign Office and the Treasury Officials, are not as clearly

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clearly enthusiastic about such an association.

6. The Grand Design seems to be a project launched by the Foreign Office in an effort to redress British prestige in Europe. It was not well thought out, and by proposing an amalgamation of several parliamentary bodies of diverse powers and purposes, is open to serious questions.

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WESTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS*

V. The Colonial Question and the United Nations.

1. The Colonial question is a particularly important one. The colonial areas and former colonial areas of Africa and Asia have become a major battle-ground of the cold war. The economy of Europe is heavily dependent on commercial ties with the colonies and former colonies, and colonial problems frequently complicate the relations of the United States with its friends and allies in Western Europe.

2. Major considerations which influence U. S. policy on colonial issues are: a) public opinion in the United States; b) the conclusion or judgment by the U. S. Government that the anti-colonial tide is irresistible; c) concern for the interests and sensitivities of our allies; and d) concern for the strength, well-being and long-range political orientation of the emerging, newly independent states. The recent rapid acceleration in the pace, timing, and schedule of movement toward independence, combined with the tendency to extremism on the part of the new states, has reached a point which we consider sometimes to be dangerous to the interests of our allies and to the future of the emerging states themselves.

3. From the point of view of many of the countries of Western Europe, there was reported to be a widespread feeling that the

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that the United States tends to be too moralistic in its attitude toward colonial problems and toward the United Nations. There is anxiety and concern that the United States is inclined to be precipitous in supporting the aspirations for independence of newly emerging states before they are in a position to fulfill all their obligations, that we push too hard and expect too much of the emerging states, and that we are over-ready to accept as full and equal members of the United Nations states which have not yet demonstrated beyond all reasonable doubt their ability to govern themselves and to discharge their international responsibilities.

4. In this connection, it was pointed out that several of the Western European colonial powers, such as Belgium and France, as well as the United Kingdom, are making heartening progress in preparing their African territories for eventual self-government and independence. A delicate problem lay in the task of encouraging these powers to stay ahead of the tide of nationalism without appearing in their eyes to be advocating the premature granting of independence to areas not yet ready for it.

5. The recent admission to the United Nations of many newly emerged states as full and equal members has caused disquiet and alarm among many of the nations of Western Europe. This alarm has been intensified by what has appeared to them to be a tendency on the part of the United States,

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especially in recent months, to subordinate its independence of action in foreign policy to a world organization which we no longer control. To some of the countries of Western Europe, the U. S. has appeared to be abdicate the making of foreign policy to the UN when we have no firm policy of our own to cover the situation. They are fearful that we may be in the process of losing our freedom of action to an organization which no longer represents Western civilization and in which, in the absence of a system of weighted voting, small and inexperienced nations may decide grave issues the consequences of which they themselves do not have to bear.

6. It was the feeling of the Conference that the United States should faithfully maintain its support of the United Nations. We and other countries should continue to use the United Nations for the settlement of disputes where such a procedure would serve a useful purpose. This reliance on the United Nations should not be exclusive, however, and emphasis should be placed on the possibilities of the use of regional organizations for the settlement of disputes wherever appropriate, a procedure envisaged by the United Nations Charter.

7. In regard to the Colonial question, it was the view of the Conference that the United States should not support the creation of independent states until it has become satisfied of their capacity for self-government. Nor should the U. S. support the candidacy for membership in the United Nations

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of a newly independent state until such a state has demonstrated its ability to fulfill beyond any reasonable doubt the requirements for membership in that organization.

(* Note: Because of lack of time, the Summary Conclusions and Recommendations concerning Agenda Item V, The Colonial Question and the United Nations, were not formally cleared and approved by the Chiefs of Mission Conference.)

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CIA - Mr. Allen Dulles

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FOREIGN SERVICE DESPATCH

COPY NO. 1111 SERIES C

From: Ambassador VIENNA

No. 1111

To: The Department of State, Washington

May 13, 1957

SUBJECT: Eastern European Chiefs of Mission Conference

The Eastern European Chiefs of Mission Conference was held at the American Embassy, Vienna, May 10 and 11, 1957.

Transmitted herewith as Enclosure 1 is a list of participants and observers at the Conference.

The revised agenda is transmitted as Enclosure 2. Agenda Item VI on the original agenda was omitted inasmuch as Mr. Freers is visiting each capital to engage in a comprehensive discussion of problems concerning operations of missions in Eastern European countries.

As Enclosure 3, there is transmitted herewith the Summary Conclusions and Recommendations made by the Conference. The summary conclusions and recommendations regarding Items I through IV of the agenda were approved at the meeting. Conclusions and recommendations concerning Items V and VI were not approved by the group, but are believed to represent the sense of the meeting.

A full summary of the discussions for use by interested sections of the Department will follow by separate despatch.

For the Ambassador:

Alfred Puhon
First Secretary of Embassy

Enclosures:

1. List of Participants.
2. Revised Agenda.
3. Summary Conclusions and Recommendations.

cc: Paris
Paris for USRO
Bonn
Belgrade
Prague
Budapest
Moscow
Warsaw
Bucharest
Munich

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From Vienna

LIST OF PARTICIPANTS

Chiefs of Mission Conference, Vienna, May 11-12, 1957

DEPARTMENT OF STATE

Mr. C. Burke Elbrick, Assistant Secretary for European Affairs
Mr. Edward L. Freers, Director, Office of Eastern European Affairs
Mr. Benson E.L. Timmons, Director, Office of Regional European Affairs
Mr. John Horner, Office of the Under Secretary
Mr. Frederick Merrill, East-West Exchange
Mr. Thomas B. Larson, Division of Research

THE WHITE HOUSE

Mr. Clarence B. Randall, Special Assistant to the President

USIA

Mr. William L. Clark, Assistant Director for Europe

USRO, PARIS

Ambassador George W. Perkins
Mr. William C. Trueheart, First Secretary

EMBASSY PARIS

Mr. Walter J. Stoessel, Jr., First Secretary

CONSULATE GENERAL, MUNICH

Mr. Edward Page, Jr., Consul General

EMBASSY, BONN

Ambassador David K. E. Bruce
Mr. David R. Thomson, Second Secretary

EMBASSY, VIENNA

Ambassador Llewellyn E. Thompson
Mr. David W. Wainhouse, Minister-Counselor
Mr. Alfred Puhan, First Secretary and Secretary of the Conference

EMBASSY, BELGRADE

Ambassador James W. Riddleberger

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EMBASSY, PRAGUE

Ambassador U. Alexis Johnson
Mr. Harold C. Vedeler, Counselor

LEGATION, BUDAPEST

Mr. N. Spencer Barnes, Charge d'Affaires ad interim
Mr. Anton Nyerges, Second Secretary

EMBASSY, WARSAW

Ambassador Joseph E. Jacobs
Mr. Richard G. Johnson, First Secretary

LEGATION, BUCHAREST

Minister Robert E. Thayer
Mr. Edward E. Segall, Second Secretary

EMBASSY, MOSCOW

Mr. Richard Davis, Charge d'Affaires ad interim

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REVISED AGENDA

Eastern European Chiefs of Mission Conference
Vienna, May 10-11, 1957

- I. Current Political Situation in Each Country.
(Brief review by CM's and Ambassadors Bruce and Perkins.)
- II. Soviet Intentions, Long Term and Short Term, with Particular
Reference to Eastern European Developments. (Moscow Pre-
sentation.)
- III. United States Economic Relations with Bloc Countries,
Including Aid Prospects Where Applicable. (Preceded by
Statement of Mr. Clarence Randall, Special Assistant to
President Eisenhower.)
- IV. Role and Effectiveness of Radio Broadcasts to EE Countries
(VOA, RFE, RL) and Prospects for Information Activities.
(Preceded by Statement by Mr. William Clark, USIA.)
- V. East-West Exchange Programs. (Preceded by Statement of
E-W Contacts Staff Director Merrill.)
- VI. Refugee Problems, Including Defection and Redefection.

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EASTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

I. THE CURRENT POLITICAL SITUATION IN THE BLOC COUNTRIES

1. Czechoslovakia. While there is widespread discontent the Communist Party leadership is apparently unified, the economic situation relatively good, and the population remains passive. There appears to be no likelihood of overt resistance to the regime in the foreseeable future. The U.S. should use the means at its disposal to influence the Czech public to exert pressure on behalf of increased relaxation of political controls.

2. Hungary. Hungary is virtually an occupied country held by 7-9 Soviet divisions. Actual power is in the hands of the Soviet Union. Soviet policy has the immediate objective of re-establishing physical control (largely accomplished, through the use of terror), and the longer term objective finding a more permanent modus vivendi with the Hungarian people that would not entail the risk of Hungary's withdrawal from the bloc. The regime has not acquired any popular support. The pattern of repression by the Government, and passive popular resistance to the extent permitted by circumstances, appears likely to continue.

3. Poland. The Gomulka regime has acquired a degree of popular acceptance by its emphasis on respect for Polish sovereignty; elimination of security police abuses; rapprochement with the church; willingness to expand trade and cultural relations with the West; and some relaxation of economic controls. The regime remains determined to keep Poland a Communist state, to maintain close relations with the Soviets, to continue to permit the presence of Soviet troops, and maintain alliance with the other states in the Bloc. While the political situation remains disturbing for the regime, an explosion has, up to now, been averted by the Hungarian experience, general popular acceptance of Gomulka, and the influence of Cardinal Wyszynski. The regime can keep the lid on probably until the spring of 1958, but signs of disaffection may increase. U.S. credits will help but will not solve the Polish economic problems.

4. Rumania. The regime is hated by the bulk of the Rumanian population, but the population is thoroughly cowed and knuckles under in preference to taking any risks. The economic situation has continued to deteriorate and there is a serious unemployment problem, which bears careful watching and may open up opportunities for appropriate action in economic and cultural spheres.

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From Vienna

5. Yugoslavia. There is a fundamental doctrinal breach between the Yugoslav Communists and the Soviet Union which does not appear likely to be healed in the foreseeable future. The Yugoslav Communists differ from the Soviets inter alia, in a contradictory appraisal of "separate roads to Socialism"; in seeing an evolution in capitalism and communism which in the long run may mitigate the sharpness of the difference; in foreseeing limitations on the powers of the State and Party; and in visualizing co-existence as leading to the dissolution of the two large power blocs; and in interpretation of Stalinism. The Yugoslav heresy may be potentially dangerous to the Soviet Union in that the Yugoslav doctrine fits in more nearly with the aspirations of the Eastern European people than does the Russian doctrine.

6. Soviet Union. The top Soviet leaders who succeeded Stalin have been able to avert a power struggle among themselves; and have succeeded in establishing a collective dictatorship which at least in the absence of some internal or foreign crisis appears to be stable. There is no widespread spirit of revolt among the people nor any serious threat to the maintenance of the regime. There is some discontent over the low standard of living and some restlessness among the students and intelligentsia. It would seem clear that the present leadership desires to avoid any return to the police terror of the Stalin era. The Hungarian events have posed serious problems both for the Soviet Union and the Bloc and their ultimate influence on Soviet policy is difficult to foretell.

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EASTERN EUROPEAN CHIEFS OF MISSION CONFERENCE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

II. SOVIET LONG TERM AND SHORT TERM INTENTIONS

1. While basically the Soviets continue to believe in the incompatibility between the capitalist and communist systems and in the eventual triumph of the latter, they will endeavor to avoid any use of armed force which they believe might spread into a global war.
2. For the long term, the Soviets have the following general objectives:
 - a. Maintenance of the security of the regime at home.
 - b. Retention of Soviet control over the satellites including the continued solidarity of the Sino-Soviet Bloc.
 - c. Disruption of western military alliances and withdrawal of U.S. forces from bases abroad.
 - d. Extension of Soviet diplomatic and political influence with specific reference to the uncommitted areas.
3. While ideological considerations are not unimportant in Soviet relations with other countries and play an essential part in obtaining allies and maintaining the Soviet system, Soviet foreign policy is guided more by practical objective conditions with ideology playing a secondary role.
4. With respect to Yugoslavia there would appear to be no basis for a real reconciliation between Moscow and Belgrade as long as Tito refuses to surrender completely to overriding Soviet interests.
5. With respect to Poland, the Soviets, while unhappy with the implications of the present situation, seem to be willing to go along as long as they do not feel their basic military and political position to be seriously threatened.
6. With respect to Germany, it appears unlikely that any settlement on other than present Soviet terms is possible for the foreseeable future.
7. While not desiring hostilities in the Middle East the Soviets will probably continue to exploit every opportunity to weaken the Western position there.
8. The Soviet leaders may be genuinely interested in some form of disarmament but negotiations looking toward disarmament will be difficult.

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SUMMARY CONCLUSIONS AND RECOMMENDATIONS

III. UNITED STATES ECONOMIC RELATIONS WITH BLOC COUNTRIES (AND YUGOSLAVIA)

1. The fundamental question with respect to American trade with the Soviet Bloc is whether the United States should attempt to encourage and accelerate the process of evolution and erosion by promoting trade with Bloc countries or whether the United States should attempt to break the system down by maintaining pressure in the form of trade restrictions.

Promotion of increased trade in non-strategic materials would raise a number of problems. These include: (a) possible eventual membership of the Soviet Union in GATT; (b) increased pressure for recognition of East Germany and Communist China; and, (c) domestic opposition.

On the other hand, the United States does advocate a process of evolution and erosion of the Bloc. As both Yugoslavia and, to a certain extent Poland, have shown, it is difficult for the Soviet Union to counter this process. Yugoslavia is a particularly good example of the influence the United States can exercise by promoting better economic relations. Notwithstanding the fact that there has been only minimal trade with Czechoslovakia, the Czech economy is relatively sound and trade restrictions have not effected the stability of the regime. Increased trade will carry in its wake increased travel to the West and contacts with Westerners. These increased contacts should contribute to the process of evolution and erosion. Moreover, trade should benefit and strengthen the United States economy.

Weighing both pros and cons, it does appear desirable to encourage freer trade in non-strategic materials with Bloc countries to be conducted whenever possible by private enterprise.

There is great pressure from Western European countries for relaxation of trade restrictions with the Bloc.

2. On the question of selectivity, it is believed some selectivity within limits is necessary because of conditions peculiar to certain countries as, for example, Hungary, which at this moment is little more than a Soviet colony. The principle of selectivity has governed United States policy on the subject of aid to Poland.

3. The entire subject of trade with the Bloc should be re-examined by an inter-agency group, such as the Council on Foreign Economic Relations.

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4. It is believed that United States participation in trade fairs should be encouraged but that it should take the form of displays of equipment and commodities.

5. With respect to Poland, the United States should promote trade rather than assistance schemes. This is also desired by the Poles but will require the extension of credits to Poland.

6. United States aid to Yugoslavia through PL 400 has made it possible for Tito to exercise his independence from the Bloc. A serious problem will arise when PL 400 is eliminated, especially in view of the regular Yugoslav wheat deficit amounting to 700,000 to 1.4 million tons annually. The proposition to allow the Soviets to assume this aid responsibility was rejected as doing so would result in an undesirable modification of the strategic situation.

The development of copper and boauxite resources in Yugoslavia offer possibilities for Western investment. Proposals have been made to finance the internal costs of copper development from counterpart funds with French and Belgian interests financing the other costs with help from the Export-Import Bank.

Exchange activities with Yugoslavia now limited largely to technicians and military personnel should be expanded but the McCarran-Walter Act is an obstacle to such expansion.

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IV. ROLE AND EFFECTIVENESS OF RADIO BROADCASTS TO EE COUNTRIES (VOA, RFE, RL) AND PROSPECTS FOR INFORMATION ACTIVITIES

A. RADIO

1. Jamming usually prevents satisfactory reception of Western indigenous-language broadcasts in the metropolitan areas of the Bloc countries (except Poland). Nevertheless, the Western message is heard and somehow reaches a considerable audience, particularly during periods of stress and dramatic developments. In Poland jamming has stopped.

2. Foreign language, e.g., English, French, and German broadcasts are usually not jammed. There is a considerable potential audience for such broadcasts in the Bloc countries and in Yugoslavia. American English-language announcers should speak much more slowly than they now do in order to be intelligible to the large group whose knowledge of English is rudimentary.

3. Consideration should be given to beaming RIAS broadcasts to the satellites in view of the widespread knowledge of German there.

4. More emphasis on factual reporting, and less on propaganda, would increase credibility and effectiveness.

5. Changing the name of RFE is recommended, since this name has acquired connotations which limit the effectiveness of the operation, and which cannot be overcome even by changing the program contents. The name RFE has become a handicap.

"Europeanization" of the operation would increase credibility, increase acceptance in Western Europe, and make the operation more serviceable to the objectives of U.S. foreign policy.

6. Radio Liberation concerns only the Soviet Union. The group decided to submit no conclusions or recommendations with respect to it.

B. INFORMATION ACTIVITIES.

1. Television. The chief opportunity at present for bringing U.S. television program material before Iron Curtain audiences is through offering material to the State-operated transmitters of the Bloc countries, which are starved for program material.

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There is some prospect that some of the Bloc countries would accept U.S. program material, provided some or all of the following conditions are met: (a) reciprocal exchange of program material; (b) the program material offered to them is non-controversial and does not carry an obvious political message, initially at least. These conditions are worth meeting. As a general rule the arrangements for exchange of program material would be best handled by commercial U.S. broadcasters rather than by the U.S. Government

2. Other information media. Information programs are difficult to initiate and maintain in the Bloc countries (except Poland) because of regime hostility to them. There is a possibility that "America" may be permitted to circulate on a limited basis in some where this is not allowed at present; this may involve reciprocal arrangements, which would be worth agreeing to.

The balloon operation should not be resumed under present circumstances.

3. Role of emigre groups. The influence of the old emigre groups is negligible among the people of the Bloc countries, and in some cases is even a minus quantity in this respect. They retain some influence in the West.

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V. EAST-WEST EXCHANGE PROGRAMS

1. East-West exchanges are useful for intelligence purposes and for the objectives stated in NSC 5607.

2. The exchange program is difficult to operate under existing ground rules. Some features of U.S. immigration legislation hamper its implementation and Congress should be persuaded if possible to alter them. Necessary security requirements in the U.S. also affect operation of the program and should be reviewed. Furthermore, some Bloc regimes prohibit their nationals from complying with certain visa procedures, such as fingerprinting.

3. The support of private industry in the United States is needed to facilitate technical exchanges with the Bloc countries, particularly with the Soviet Union.

4. It is anticipated that the Bloc countries will increasingly demand reciprocity in cultural exchanges.

5. The fact that few international conferences are held in the Soviet Union has made it difficult for the U.S. to insist on reciprocity for the many international conferences in the U.S. attended by Soviet delegations. U.S. Embassies in the Bloc countries should call the Department's attention to any forthcoming international conferences in the Bloc.

6. The U.S. should press for student exchanges with the Soviet Union.

7. Emphasis in exchange programs with the Soviet Union should be on bringing Soviet groups to the United States. Small groups and individuals would be more useful than large Soviet delegations. Some changes in the method of handling Soviet visitors in the U.S. should be instituted, including more per diem and provision of package tours.

8. Exchange programs with the satellites should emphasize getting U.S. citizens into those countries. It is believed that tourism by U.S. citizens in the Bloc countries should be encouraged. Visits by U.S. citizens of Czechoslovak and Rumanian extraction to their countries of origin have been particularly valuable.

9. American tourists in the Soviet Union should be more carefully briefed. The U.S. Embassy should receive adequate notice of their arrival.

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10. Technical exchanges should be carefully negotiated to ensure that we get equal access to intelligence targets.
11. USIA personnel in U.S. missions to the Bloc countries should receive sufficient representation allowances to permit adequate exploitation of cultural exchanges.
12. More use can be made of individual touring American musical artists, if chosen with an eye to the tastes of the individual Bloc countries to which they are sent.
13. U.S. trade unionists should not be encouraged to accept invitations from Bloc trade unions in recognition of the fact that Bloc trade unions are puppets of the regime which do not fulfill the normal functions of trade unions.

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VI. REFUGEE PROBLEMS INCLUDING DEFECTION AND REDEFECTION

1. U.S. policy is to continue to encourage the defection of key satellite nationals and all Soviet nationals.

2. There are about 32,000 Hungarian refugees still in Austria. Movement of refugees out of Austria continues, although movement to the United States is negligible.

3. There are about 16,000 Hungarian refugees in Yugoslavia. Commitments have been made to take out about 7,000. While the United States is urging the Yugoslavs to freely grant asylum, we are, on the other hand, refusing to accept Hungarian refugees from Yugoslavia for movement to the United States. In this respect U.S. policy is inconsistent and we should be prepared to accept one or two thousand Hungarian refugees from Yugoslavia as an indication of our interest. At the same time it would be beneficial if Hungarian refugees in Yugoslavia had more opportunity to emigrate to Latin America.

4. It is felt that the adverse effects of the Hungarian exodus, amounting to about 2 per cent of the population, have far outweighed any success achieved by Bloc regimes in their redefection campaign. The U.S. should not be excessively sensitive about the relatively insignificant number of escapees who are returning to their countries of origin of their own volition.

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MEMORANDUM FOR: MR. DULLES

The Summary Conclusions and Recommendations of the Western European Chiefs of Mission Conference Hugh Cumming sent us is of primary interest to DD/I although DD/P would also be interested. I have therefore had additional copies made for Frank Wisner and Bob Amory.

SECRET

29 May 57
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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